GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Mines & Minerals – Rechristening of DMRTUF Trust as MERIT – Collection of 2% of Segniorage Fee on all minor minerals as contribution to MERIT - Orders – Issued.

INDUSTRIES AND COMMERCE (M.II) DEPARTMENT

G.O.MS.No. 18 **Dated: 13-01-2016**

Read the following:

1. G.O.Rt.No.237, Ind. & Com (M.II) Dept., dt.29.03.1997.
2. G.O.Rt.No.820, Ind & Com (M.II) Dept., dt.11.09.2002.
3. The MM (D&R) Amendment Act, 2015, dt.27.03.2015 issued by MoM, Govt. of India, New Delhi.
4. From the DMG, Hyd, Lr.No.22152/P/2015-1&2, dt.09.10.2015.
5. Govt.Memo.No.14723/M.II(1)/2015, dt.28.11.2015.

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O R D E R:

In the references 1st and 2nd read above, Govt. have established the "Development of Mineral Resources and Technology Up-gradation Fund" (DMRTUF) to utilize the funds for study, identification, acquisition of technology and equipment and also development of mineral database for exploration, exploitation and mineral based industries. As per this G.O, APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals. However, the fund has not been utilized over last many years.

2. In the reference 3rd read above, GOI, enacted the Mines & Minerals (Development & Regulation) Amendment Act, 2015, dt.27.03.2015, which shall come into force w.e.f 12.01.2015. As per the said Act, the Central Government shall by notification establish a Trust as a non-profit body called "The National Mineral Exploration Trust (NMET)" under Section 9-C (1) of the Amended Act, 2015. The objective of the Trust is to use the funds accrued to the Trust for the purposes of Regional and detailed exploration of the Major Minerals as per the directions by the Central Government. Further, as per Section 9-C (4) of the said Amended Act, the holder of a Mining Lease or a Prospecting License-cum-Mining Lease shall pay to the Trust, a sum equivalent to 2% of the Royalty paid as per the II Schedule of the Act. The Central Government established the Trust by notification dt.14.08.2015 and also made Rules dt.14.08.2015. Consequent to the above, the Ministry of Mines, Govt. of India vide Notification dt.10.02.2015 declared 31 Major Minerals as Minor Minerals, which are mostly industrially used minerals for which, now, the State Govt. has to take up exploration activities along with already declared other 17 Minor Minerals.

3. In the reference 4th read above, the Director of Mines & Geology, A.P., Hyderabad has reported that there is an urgent need to step up the scientific mineral exploration in the mineral bearing areas of the State for both Major & Minor Minerals within a reasonable time frame for augmenting the estimated mineral resources and systematic planning of mining activities and thereby, economic development of the State in the similar lines of NMET as constituted by the Ministry of Mines, GoI. It is proposed to :

i) Realign the objectives of DMRTUF for conducting exploration activities in the State.

Contd..2

ii) Rechristen the DMRTUF Trust as MERIT (Mineral Exploration, Research and Innovation Trust)
iii) Accord permission for opening a separate PD account in any of the Nationalised Bank which has to be opened by the DMRTUF (to be rechristened to MERIT), in order to facilitate the lease holders for Minor Minerals.

4. The Government, after careful examination of the matter has hereby rechristened the DMRTUF Trust as MERIT in order to provide thrust in exploration, research and innovation activities in mining sector with the following:

(a) Objectives of the Trust:

i. Taking up regional and detailed exploration, giving priority to higher value minerals in State
ii. To facilitate the process of mineral exploration and assessment of mineral reserves
iii. To undertake activities for mineral development, sustainable mining adoption of advanced scientific and technological practices and mineral extraction metallurgy
iv. To facilitate geo-physical, ground and aerial survey and geochemical survey of obvious geological potential areas and develop Mineral Atlas for the entire State of Andhra Pradesh
v. To organize capacity building programmes to raise technical capability of personnel engaged in or to be engaged in exploration
vi. such other purposes that the Governing Body may decide, or authorize Executive Committee to be necessary or expedient in the interest of conservation, development and exploitation of mineral resources in Andhra Pradesh.

(b) Governing Body consists of the following :

i. Minister of Mines and Geology (Chairperson)
ii. Secretary of Mines and Geology
iii. Director of Mines and Geology
iv. VC & MD, M/s APMDC Ltd.
v. All Joint Directors from Department of Mines and Geology
vi. Special invitees having experience in the relevant field to be invited by Chairperson of the Governing Body.

(c) Functions of the Governing Body:

i. Lay down the broad policy framework for the functioning of the trust and review its working.

ii. Approve annual plan and annual budget of the Trust upon the recommendation of the Executive Committee.

iii. Chairperson may vary the term of the office of any nominated member or remove him/her before completion of his/her term.

iv. Employ or hire personnel, own and dispose off property, including intellectual property incur administrative expenses and execute documents as necessary.

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(d) Executive Committee consists of the following :

i. Secretary of Mines and Geology (Chairperson)
ii. Director of Mines and Geology
iii. VC & MD, APMDC Ltd.
iv. All Joint Directors from Department of Mines and Geology
v. All Deputy Directors from the Department of Mines and Geology
vi. Five persons from among the persons with experience in exploration or in research in a related field for a period of at least ten years to be nominated by Chairperson of the Executive Committee.

(e) Functions of the Executive Committee:

i. Manage, administer and supervise the Trust
ii. Monitor and review the expenditure of the Trust at regular intervals
iii. Chairperson may vary the term of the office of any nominated member or remove him/her before completion of his/her term.

(f) Personnel permitted to employ, by the MERIT:

i. Chief Executive Officer (CEO) to be selected by the Panel constituted by Governing body to administer the functioning of the Trust. CEO selected may be a Senior Officer such as Retd. Person from GSI/MECL of the rank of Director and above with relevant experience in the fields of exploration (Air Borne/Off Shore etc), Beneficiation, Information Technology and R&D.
ii. One personnel of the rank of Joint Director (Mines and Geology) having experience in Mineral Exploration.
iii. One personnel of the rank of Deputy Director (Mines and Geology) having equivalent or more eligible experience.
iv. Two personnel of the rank of Geologist.
v. One personnel as beneficiation expert.
vi. One personnel as R&D Chemist.
vii. One personnel as Manager for administration.
viii. One Accountant.
ix. Supporting staff for administration as required.

5. The MERIT (Mineral Exploration, Research and Innovation Trust) is permitted to :

(i) collect 2% contribution on Seignorage Fee from all the minor mineral lease holders.

(ii) meet the balance 50% cost of exploration projects, GoAP needs to garner funds, as the GoI provides only 50% of the cost of exploration of major minerals, which is mandatory for auction of major minerals.

Meet the expenditure for exploration of all minor minerals and innovations in beneficiation technologies.

(iii) Receive contribution of 10% of sales turnover from M/s APMDC Ltd., since the 2% on Seignorage Fee will be approximately to Rs.10-12 crores per annum only.

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6. The Director of Mines & Geology, AP, Hyd., shall take necessary further action accordingly in the matter.

7. This order issues with the concurrence of Finance Department vide their U.O. No.14998/152/EBS.VIII/A2/2015, Dt.15.09.2015.

[BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH]

M. GIRIJA SHANKAR
SECRETARY TO GOVERNMENT (FAC)

To
The Director of Mines & Geology, Andhra Pradesh, Hyderabad.
The Chief Executive Officer, SERP, Hyderabad.
All the Joint Director /Deputy Director / Asst. Director of Mines & Geology
through the Director of Mines & Geology, Hyderabad.
Copy to:
The Secretary to Govt, Ministry of Mines, Govt. of India.
The Law (A) Department.
The Finance Department.
The P.S to Hon'ble Minister for Women Empowerment, Child Welfare and Disabled & Senior Citizens Welfare and Mines & Geology.
The Secretary to Govt., (Mines), CM's office.
SF/SC (C.No.14723/M.II(1)/2015)

// FORWARDED BY ORDER //

SECTION OFFICER